

Slide 1

**Bookkeeping
Workshop 2013**

Charlie Pride and Todd Austin
State Board of Accounts

Slide 2

**SBoA Accounting Manual for
Libraries**

- Revision Chapters 1, 2, 3, 4, 6, 7 and 11
- Removal of budget Calendar

11/5/2013 Held at Indiana State Library November 6 and
repeated November 19, 2013 2

Slide 3

Bank/Credit Card Convenience Fee

- IC 36-1-8-11 (f) may collect either or both fees
- Official fee that may not exceed the transaction charge or discount fee charged to the political subdivision
- A reasonable convenience fee:
 - Not to exceed three dollars \$3
 - Uniform regardless of the bank card or credit card used

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

3

Slide 4

Rainy Day Fund

- Supplemental distributions of CAGIT under IC 6-3.5-1.1-21.1 or COIT under IC 6-3.5-6-17.3, such distributions must be receipted to the rainy day fund
- Transfers of supplemental distributions of CAGIT or COIT transfers of dormant fund balances are not subject to the ten percent (10%) transfer limit.
- Transfers to the rainy day fund may be made at any time during the year. [IC 36-1-8]
- Transfers from a debt service fund may not be made to the rainy day fund

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

4

Slide 5

Dormant Fund

- Dormant Funds
 - Transfer to operating or rainy day fund [IC 36-1-8-5]
 - Special rules for leftover construction fund balances [IC 5-1-13-2]

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

5

Slide 6

Cash Change Fund [IC 36-1-8-2]

- (a) The fiscal body of a political subdivision may permit any of its officers or employees having a duty to collect cash revenues to establish a cash change fund. Such a fund must be established by a warrant drawn on the appropriate fund of the political subdivision in favor of the officer or employee, in an amount determined by the fiscal body, without need for appropriation to be made for it.
- (b) The officer or employee who establishes a cash change fund shall convert the warrant to cash, shall use it to make change when collecting cash revenues, and shall account for it in the same manner as is required for other funds of the political subdivision.
- (c) The fiscal body shall require the entire cash change fund to be returned to the appropriate fund whenever there is a change in the custodian of the fund or if the fund is no longer needed.

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

6

Slide 7

Cash Change Fund [IC 36-1-8-2]

- Library Board resolution to establish cash on hand for change.
- Warrant on fund and custodian converts to cash
- No need for an appropriation

11/5/2013

Held at Indiana State Library November 6 and
repeated November 19, 2013

7

Slide 8

Petty Cash [IC 36-1-8-3]

- (a) The fiscal body of a political subdivision may establish a petty cash fund for any of its offices in a like manner to that prescribed by section 2 of this chapter.
- (b) The custodian of a petty cash fund shall use it to pay small or emergency items of operating expense. A receipt shall be taken for each expenditure made from the fund.
- (c) The custodian of a petty cash fund shall periodically file a voucher, with all original receipts totaling the cash claimed expended being attached to it, so that the fund can be reimbursed for expenditures from it. Reimbursement must be approved and made in the same manner as is required for other expenditures of the political subdivision

11/5/2013

Held at Indiana State Library November 6 and
repeated November 19, 2013

8

Slide 9

Old Outstanding Checks

- If two years passed as of December 31 of each year, outstanding checks are void
- March 1 deadline, treasurer prepares list, in duplicate, of all checks outstanding for 2 or more years as of preceding December.
- Enter amounts listed as a receipt to fund(s) upon check originally drawn
- Remove check for the list of outstanding checks

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

9

Slide 10

Electronic Funds Transfer

- IC 36-12-3-16.5
- Resolution to authorize an ETF method of payment of claims
- Specify types of transactions
- Library Director and Treasurer comply with all other requirements for the payment of claims

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

10

Slide 11

Encumbrances

- To encumber requires a contract or purchase order dated on or before December 31
- Balances are carried forward on unpaid balances on contracts or purchase orders
- Library board prepares list of encumbered items, include as part of minutes of last business meeting of the year

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

11

Slide 12

Encumbrances

- Appropriations carried forward shown as separate amounts on corresponding appropriation ledger sheets of previous year with explanation and then added to succeeding year's appropriations
- Disbursements charged to appropriations of the previous year are identified as such on the succeeding year's appropriation ledger sheets

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

12

Slide 13

Form Approval Process

- Board Resolution for Vendor Software System
- Resolution and Letter to State Board of Accounts
- Compliance with prescribed forms not the vendor software
- Other libraries may use any forms previously approved for the original library using particular software program

11/5/2013

Held at Indiana State Library November 6 and
repeated November 19, 2013

13

Slide 14

LETTERHEAD OF GOVERNMENTAL UNIT

State Board of Accounts
302 West Washington Street
4th Floor, Room E-418
Indianapolis, Indiana 46204-2765

Re: Form Approvals

The (NAME OF GOVERNING BODY) passed the attached resolution concerning usage of forms for the (NAME OF GOVERNMENTAL UNIT).

The (NAME OF GOVERNING BODY) is ultimately responsible for all forms and systems to be used. Accordingly, we are requesting to be authorized to use the forms and systems provided (1) for (NAME OF LIBRARY WHICH FIRST RECEIVED AN APPROVAL) as these forms were approved by our Office in writing as of (DATE OF ORIGINAL APPROVAL). We will abide by the form approval requirements as stated in the "Accounting and Compliance Guidelines for Libraries" and during audits by the State Board of Accounts.

The (NAME OF GOVERNING BODY) will notify you in writing if desiring to discontinue use of the system approved. Any forms that are not in an all inclusive approved package would still need to be approved by your Office. Furthermore, if we desire to use any forms which have changed since the date of original approval above, and those forms have not received a written approval from your Office, we will immediately submit those forms for approval.

We also understand the process of a letter and resolution are not an attempt to provide preferential treatment to any vendor but instead are an effort to expedite the form approval process required by statute and regulation. Finally, we are aware that any system or hardware changes initiated by a vendor and the resultant costs, are vendor, market or consumer demand driven.

(PRESIDENT OR CHAIRMAN OF THE GOVERNING BODY) _____ (DATE)

(CHIEF EXECUTIVE OFFICER) _____ (DATE)

(1) The first Library approved would have a period after the word "provided" and the rest of the sentence would be deleted. All other Libraries requesting use of that system should show the information stated after the word "provided."

11/5/2013

Held at Indiana State Library November 6 and
repeated November 19, 2013

14

Slide 15

RESOLUTION 00-01	
WHEREAS, the _____ Library finds that it is beneficial to utilize the financial software from a single vendor and,	
WHEREAS, <u>Name of Software Vendor</u> has provided financial software systems and updates to Indiana libraries which contain procedures and produce forms that are required and approved by Indiana State Board of Accounts and State Board of Tax Commissioners.	
NOW THEREFORE BE IT RESOLVED that the Library adopts <u>Name of Software Vendor</u> financial software systems and requests that the Indiana State board of Accounts approve all forms which have been previously submitted by _____ Library and any updates and revisions provided in the future for use by the _____ Library.	
APPROVED by the Library Board of Trustees of _____ Library, _____ County, Indiana.	
THIS 2nd DAY OF MARCH 2000.	
_____	PRESIDENT
_____	VICE PRESIDENT
_____	MEMBER
_____	MEMBER
_____	MEMBER
_____	MEMBER
ATTEST: _____	
Secretary	

Sample

Record Retention

- Accept Electronic Media in Lieu of Paper for Non-Archival Records with a retention of ten years or less [IC 5-15-1-1] whether listed on General Retention Schedule for all state agencies or on an agency-specific records retention schedule
- May be converted from paper to electronic format, and the paper may be destroyed after verification of the electronic records accuracy and legibility
- Imaging system approved by ICPR
- Agency guarantees records accessible for life of retention period

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

16

ISL/LDO

Internal Controls

- Receipts
 - Written Record of Cash and Checks received
 - Pre-numbered receipts should be issued for all money received
- Cash collection under control of two people
 - Rubber stamped endorsement
- List compared to the bank deposit by someone not handling the money
- Treasurer checks to see whether bookkeeper deposited amounts daily

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

17

Slide 18

Internal Controls

- Vendor invoice approved by library board
- Disbursements
 - Written Record
 - Made by check or properly authorized electronic disbursement
 - Authorized person to withdraw fund
- Bookkeeper is not check signer
 - Treasurer is check signer
- Reconcile bank statement, someone besides bookkeeper
 - Bank statement can go to treasurer to reconcile

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

18

Slide 19

Other

- Board of Finance meeting

11/5/2013

Held at Indiana State Library November 6 and repeated November 19, 2013

19
